

AO 91 (Rev. 11/11) Criminal Complaint

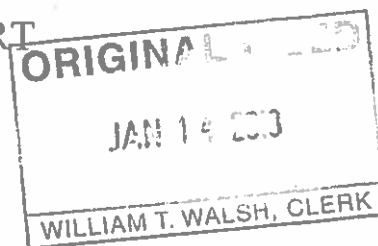
UNITED STATES DISTRICT COURT

for the
District of New Jersey

United States of America

v.

KANG JUNTAO
a/k/a "Kan Jundao,"Case No.
19-5512 (KMW)

Defendant(s)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of June 12, 2017 - Nov. 30, 2018 in the county of Atlantic in the District of New Jersey, the defendant(s) violated:*Code Section*

18 U.S.C. Section 1956(a)(2)(A)

Offense Description

Kang Juntao, a citizen and resident of China, purchased protected turtles and arranged their illegal shipment from the United States to China via Hong Kong. He transferred approximately \$76,294 in funds to New Jersey to promote the smuggling of the turtles out of the country.

This criminal complaint is based on these facts:

See Attachment A hereto.

☒ Continued on the attached sheet.

A handwritten signature in blue ink, appearing to read "Ryan Bessey".

Complainant's signature

Ryan Bessey, USFWS Special Agent

Printed name and title

Sworn to before me and signed in my presence.

Date: 01/14/2019

A handwritten signature in blue ink, appearing to read "Karen M. Williams".

Judge's signature

City and state: Camden, New Jersey

Karen M. Williams, U.S. Magistrate Judge

Printed name and title

CONTENTS APPROVED

UNITED STATES ATTORNEY

By: *RYAN CONNORS s/Asst*
RYAN CONNORS
Trial Attorney

Date: 1/14/2019

ATTACHMENT A

From on or around June 12, 2017, through on or around November 30, 2018, in Atlantic County, in the District of New Jersey and elsewhere, defendant

KANG JUNTAO,
a/k/a "Kan Jundao"

transported, transmitted, and transferred a monetary instrument and funds to a place in the United States, specifically New Jersey, from and through a place outside the United States, specifically the People's Republic of China, with the intent to promote the carrying on of specified unlawful activity, to wit Smuggling Goods from the United States, in violation of Title 18 United States Code, Section 554.

In violation of Title 18, United States Code, Section 1956(a)(2)(A).

I, Ryan Bessey, am a Special Agent with the United States Fish and Wildlife Service ("USFWS"). I am fully familiar with the facts set forth herein based on my own investigation, my conversations with other law enforcement officers, and my review of reports, documents, and other items of evidence. Because this Complaint is being submitted for a limited purpose, I have not set forth each and every fact that I know concerning this investigation. Where statements of others are related herein, they are related in substance and part. Where I assert that an event took place on a particular date, I am asserting that it took place on or about the date alleged.

Applicable Law

1. The United States, China, Malaysia, Hong Kong special administrative region ("Hong Kong"), and approximately 180 other countries are signatories to a multilateral treaty called the Convention on International Trade in Endangered Species of Wild Fauna and Flora, 27 U.S.T. 1087, T.I.A.S. 8249 (commonly referred to as "CITES"). CITES provides a mechanism for regulating international trade in species whose survival is considered threatened by trade.

2. The purpose of CITES is to monitor the trade of and to protect fauna and flora from commercial activities that might diminish the capability of any species to survive in the wild. CITES classifies wildlife and plants in three appendices (Appendix I, II, and III) which give specific trade protection to fauna and flora. International trade in species listed in these Appendices is monitored and regulated by permits and quotas. The permit restrictions apply to live and dead specimens, as well as the skins, parts, and products made in whole or in part from a listed species. Wildlife and plant species listed in Appendix I of CITES are those currently threatened with extinction and that are or may be further threatened by trade. Under Appendix I of CITES, a species may be exported from a country only if, prior to exportation, the exporter applies for and obtains a valid foreign import permit issued by the country of import and a valid export permit issued by the country of export. Wildlife and plant species listed in Appendix II of CITES include species that are not presently threatened with extinction but may become so if their trade is not regulated. Under Appendix II of CITES, a species may be exported from a country only if, prior to exportation, the exporter applies for and obtains a valid CITES export permit issued by the country of export.

3. Many species of turtles and tortoises are listed in Appendix II, but some have greater protection and are listed in Appendix I. Species listed in Appendix I and II of CITES are prohibited from export by Title 50, Code of Federal Regulations, Section 23.13(a), which states:

Except as provided in § 23.92, it is unlawful for any person subject to the jurisdiction of the United States to conduct any of the following activities unless they meet the requirements of this part: Import, export, re-export, or engage in international trade with any specimen of a species listed in Appendix I, II, or III of CITES.

The exporter is required to provide all pertinent information as well as submit Federal Fish and Wildlife Application Form 3-200-32, 3-200-33, 3-200-36, and/or 3-200-74.

4. CITES is implemented in the United States by the Endangered Species Act of 1973

(the “ESA”), which directs the USFWS to administer the treaty. 16 U.S.C. §§ 1537a, 1540(f). The ESA makes it unlawful to knowingly “trade in any specimen contrary to the provisions of [CITES], or to possess any specimen traded contrary to the provisions of [CITES].” 16 U.S.C. §§ 1538(c)(1), 1540(b)(1). “Trade,” in this context, includes the sale and export from the United States. The USFWS has issued extensive regulations incorporating the specific permit requirements and provisions of CITES and listing the species contained on the CITES appendices. 50 C.F.R. Part 23.

5. The eastern box turtle (*Terrapene carolina carolina*), the Florida box turtle (*Terrapene carolina bauri*), and the Gulf Coast box turtle (*Terrapene carolina major*) are subspecies of the common box turtle (*Terrapene carolina*) and have been listed in CITES Appendix II since 1995. The spotted turtle (*Clemmys guttata*) is a semi-aquatic turtle listed in CITES Appendix II as of 2013. The wood turtle (*Glyptemys insculpta*) has been protected under CITES Appendix II since 1992.

6. In addition to the requirements of CITES and the ESA, federal law generally requires that all animals, including turtles, or parts thereof, be declared to the USFWS prior to their export from the United States. When exporting any animals, exporters or their agents must file with the USFWS a completed Declaration for Importation or Exportation of Fish, Wildlife, or Plants (Form 3-177). A USFWS or United States Customs Service officer must clear (or refuse) animals being exported from the United States, and the exporter or his agent must make available to the officer the animals being exported, as well as all required permits, licenses or other documents. 50 C.F.R. § 14.

7. United States law prohibits the transfer of funds from outside the United States to the United States with the intent to promote a specified unlawful activity. 18 U.S.C. § 1956(a)(2). Smuggling Goods from the United States, 18 U.S.C. § 554, is a specified unlawful activity. 18 U.S.C. § 1956(c)(7). There is extraterritorial jurisdiction over this conduct if the conduct occurs in part in the United States and the series of transactions involves funds exceeding \$10,000. 18 U.S.C. § 1956(f).

Investigation

8. The investigation revealed a pattern where individuals would illegally collect turtles and ship them to domestic middlemen, who would in turn repackage them for export. These intermediaries were typically college students from China seeking to make extra money in school. Acting in an undercover capacity from Atlantic County, New Jersey, I posed as a shipper and was able to penetrate the organization and identify Kang Juntao as the man in China arranging for the purchase and smuggling of turtles from the United States to Hong Kong and ultimately into China.

9. In March 2017, a turtle enthusiast in North Carolina was communicating with Kang Juntao over and via PayPal transactions. The turtle enthusiast suspected Kang Juntao was attempting to illegally buy turtles and notified a friend who worked as a herpetologist. The herpetologist worked as a confidential informant and provided agents with Kang Juntao’s Facebook page, which had over 100 photos of reptiles and references to his Omega Reptile business. I used this information to identify him as the possible target controlling the middlemen.

10. In May of 2017, Kang Juntao contacted me through Facebook messenger and expressed his interest in receiving eastern box turtles and other species for the Chinese pet trade. Kang Juntao initially stated that he was a college student in Kansas, but later admitted that he lived in China. During our conversations, Kang Juntao discussed topics such as how it is easier to smuggle goods to China through Hong Kong, which shipping carrier to use, prices of various turtle species, ways around permit requirements, and shipping methods to avoid detection. Kang Juntao sent me a video, which shows how to wrap a turtle in a sock in order to restrict its legs from making noise, which could lead to detection.

11. Kang Juntao and I agreed to do a test transaction to become comfortable with each other. On June 12, 2017, I sent two eastern box turtles from New Jersey to an Ohio middleman, who reshipped them to Kang Juntao. Kang Juntao paid me \$350 for the transaction.

12. Following the test transaction, Kang Juntao instructed me to ship an additional five eastern box turtles directly to his associate in Hong Kong. Kang Juntao coached me on how to conceal the turtles in socks wrapped with tape for shipping and measures to take in order to avoid detection by law enforcement. For example, Kang Juntao instructed me never to pay for shipping turtles using a credit card because they could be traced by law enforcement. In return for shipping the additional eastern box turtles to Hong Kong, Kang Juntao paid me \$1,450. By the end of June 2017, Kang Juntao had begun to trust me to ship more turtles directly to his associates in Hong Kong. While we continued to do business, another USFWS agent was investigating Person 1, a turtle supplier in North Carolina.

13. I have checked the USFWS federal database known as the Law Enforcement Management Information System (LEMIS), and Kang Juntao nor his associates have applied for or ever received the necessary CITES permits to export protected species. None of the turtle shipments was declared to USFWS or customs authorities.

14. Person 1 lives near Greensboro in the Middle District of North Carolina and collects wild turtles from North Carolina and South Carolina. He also pays local teenagers for any turtles they gather. He has also referenced other suppliers to help him when demand exceeds his inventory. Person 1 primarily deals in eastern box turtles and spotted turtles. He typically ships from a FedEx facility near his home.

15. Person 1 sells the turtles domestically for a few hundred dollars depending on their sex, size, and markings. Eastern box turtles are worth on average \$2,000 each in the Hong Kong market, spotted turtles are valued at approximately \$650, and wood turtles are valued at approximately \$2,000 each.

16. Kang Juntao and Person 1 had a previous business relationship where Person 1 would ship turtles to other domestic middlemen working for Kang Juntao. Kang Juntao introduced me to Person 1 as a new contact who would supply turtles for export. Through text messages and recorded phone conversations that I had with Person 1, he is aware that the turtles he sells to Kang Juntao are being smuggled to Hong Kong at Kang Juntao's direction. On several occasions, Person 1 would read to me the text messages he received from Kang Juntao discussing

turtle purchases.

17. Kang Juntao set up a cycle where he would place orders with Person 1 and then pay me money for the turtles and a shipping fee. I would in turn pay Person 1 for the turtles with the money Kang Juntao provided. On three occasions, Kang Juntao also sent Person 1 money directly. Person 1 would send the turtles to me in New Jersey, where I would repack them for shipment to Hong Kong. In total, Person 1 sent me 219 eastern box turtles and 76 spotted turtles, which Kang Juntao arranged to be smuggled to China. Kang Juntao has also arranged for other suppliers to send me eastern box turtles, spotted turtles, wood turtles, Florida box turtles, and Gulf Coast box turtles, which were in turn smuggled to China.

18. I utilized an undercover PayPal account during this investigation in order to receive payments from Kang Juntao. This same PayPal account was used to pay turtle suppliers at Kang Juntao's direction. PayPal is a digital money transfer platform headquartered in San Jose, California. An undercover BB&T bank business checking account was also opened in New Jersey in order to maintain the undercover funds for this case. This BB&T bank account is linked to the undercover PayPal account used to transact with Kang Juntao. BB&T is headquartered in Winston-Salem, North Carolina.

19. In total, between on or about June 12, 2017, and November 30, 2018, Kang Juntao sent me 32 payments amounting to cumulatively approximately \$76,293.79 through PayPal. These funds were used for, among other things, to pay turtle suppliers at Kang Juntao's direction. Subpoenaed records show that 31 of those payments are linked to an address in China, while one did not provide an address. Twenty-four of the payments were linked to China Union Pay Bank, a financial institution in the People's Republic of China, or credit card accounts. Seven of the payments were associated with Kang Juntao's name or email address. The other transactions correspond to accounts believed to be aliases or associates of Kang Juntao. In my training and experience, wildlife traffickers often use multiple bank accounts under fictitious names or with the aid of co-conspirators to pay for the wildlife and avoid detection by authorities. Kang Juntao has sent me the following PayPal payments to promote smuggling from New Jersey to China:

| Date | Value | Date | Value |
|-----------------|---------|-----------------|------------|
| June 12, 2017 | \$1,000 | Feb. 16, 2018 | \$6,750 |
| June 17, 2017 | \$800 | March 8, 2018 | \$1,400 |
| June 24, 2017 | \$3,432 | April 17, 2018 | \$1,800 |
| July 7, 2017 | \$472 | April 26, 2018 | \$600 |
| July 9, 2017 | \$4,000 | April 27, 2018 | \$1,000 |
| July 21, 2017 | \$1,248 | May 6, 2018 | \$1,030 |
| July 25, 2017 | \$6,500 | June 1, 2018 | \$2,060 |
| August 16, 2017 | \$1,000 | June 6, 2018 | \$2,266 |
| August 24, 2017 | \$4,160 | July 13, 2018 | \$2,462.10 |
| August 28, 2017 | \$4,160 | August 16, 2018 | \$4,325.99 |
| Sept. 7, 2017 | \$7,000 | August 24, 2018 | \$1,236 |
| Sept. 26, 2017 | \$1,000 | Sept. 11, 2018 | \$3,441.70 |

| | | | |
|------------------|---------|------------------|-------------|
| October 17, 2017 | \$1,200 | October 12, 1018 | \$2,500 |
| November 8, 2017 | \$2,450 | October 26, 2018 | \$2,400 |
| December 8, 2017 | \$2,000 | Nov. 30, 2018 | \$600 |
| January 18, 2018 | \$2,000 | Total | \$76,293.79 |

20. I have reviewed financial records and witness interviews that show that Kang Juntao has similar arrangements with his other suppliers across the country. Records from all of the targets to date show approximately 1,500 turtles have been shipped at Kang Juntao's direction, valued at approximately \$2,250,000.

Conclusion

21. Based on my training and experience, Kang Juntao has engaged and is continuing to engage in the systematic illegal export of protected turtles and laundering money to promote their smuggling to China.